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TOTAL PAGES (INCLUDING COVER SHEET): 3

DATE: November 06, 1996

TO: Jonathan Levin
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Requester Comment
AOX 1996-42

SUBJECT:
COMMENTS:

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November 6, 1996

Mr. Jonathan Levin
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Comments on Commission's Public Meeting on Draft
Advisory Opinion 1996-42

Dear Mr. Levin:

We request that you circulate these comments to the Commission for its consideration in conjunction with the staff's revised draft advisory opinion and our letter on behalf of Lucent Technologies Inc. dated November 4, 1996, suggesting alternative language.

The revised draft advisory opinion requires Lucent Technologies Inc. to terminate all payroll deductions immediately and to reinstate such deductions only for employees who provide a written authorization. Furthermore, the draft requires the return of payroll deductions for the month of October if the employees do not agree to authorize payroll deduction within 60 days.

Lucent Technologies Inc. accepts the principles on which this draft is based, but respectfully wishes to point out the difficulties of implementing the staff's draft opinion. Furthermore, we wish to suggest an alternative that the Company can implement more successfully than the staff's draft and will still return promptly the funds of employees who do not authorize payroll deduction.

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OFFICE OF GENERAL
COUNSEL

Mr. Jonathan Levin
November 6, 1996
Page 2

The staff draft requires Lucent Technologies' payroll department to make two changes in the payroll records of up to 2500 employees -- first, it must stop immediately payroll deduction for all of these employees and then it may reinstate deductions for the employees who agree to such deductions. This will require many changes to employee records that will result in errors, confusion, and a significant number of questions from employees regarding their paychecks as deductions are stopped and then reinstated. Moreover, these changes will require a significant amount of staff time and must be made while the payroll department is still dealing with the complex issues of implementing the separation from AT&T. For these reasons, it is the Company's judgment that the staff's proposal will create significant problems. This judgment is based in part on the experience of the payroll department over the last month in adjusting the records of employees who have terminated payroll deductions.

Our proposed revision to the advisory opinion would permit Lucent Technologies Inc. to continue payroll deductions for a short period of time while written authorization is requested and requires termination and refund of all accumulated deductions to the employees that do not execute an authorization form. This will require far fewer changes by the payroll department and will result in fewer mistakes, less confusion, and far fewer questions from Lucent employees regarding changes in their paychecks. Although our proposed draft does not set a final date within which authorizations must be received or funds returned, Lucent Technologies Inc. would agree to the same 60 day period in the staff's draft.

If the Commission follows the staff's recommendation, Lucent Technologies Inc. will do its best to comply. However, it seems to us that the staff's approach is unreasonable and likely to cause severe problems. It does not take into account the impact on the payroll department or the employees. Indeed, the staff never consulted with Lucent Technologies Inc. or its counsel before circulating its proposed revision. We hope that the Commission will take our concerns into account in preparing a final opinion so that the Commission's opinion can be implemented as efficiently as possible.

Sincerely,



Michael A. Nemeroff